

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554



OFFICE OF
MANAGING DIRECTOR

March 23, 2011

N.A. Baz, President
WDEB AM & FM
Post Office Box 69
Jamestown, Tennessee 38556

Re: Station WDEB AM & FM
FY 2010 Regulatory Fee
Fee Control No. RROG-10-00013070

Dear Mr. Baz:

This is in response to your request filed September 1, 2010 (*Request*), on behalf of Baz Broadcasting, Inc. (Baz), licensee of Stations WDEB AM and FM (WDEB), for waiver of the fiscal year (FY) 2010 regulatory fee. Our records reflect that you have paid the [REDACTED] regulatory fee. For the reasons set forth below, we deny your request.

You state that WDEB provides "vital life saving services . . . with news, weather, sports and entertainment."¹ You assert that you "are experiencing losses each month" and that your wife is "in the hospital causing an additional financial hardship."² You submit a financial document entitled "Baz Broadcasting Inc. Statement of Revenues and Expenses – Income Tax Basis for the Twelve Months Ending March 31, 2010" (*Financial Statement*), which reflects Baz's revenues and expenses for the twelve-month period ending March 31, 2010.

In establishing a regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship."³ In reviewing a showing of financial hardship, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits, and considers whether the licensee lacks sufficient funds to pay the regulatory fee and maintain service to the public. Thus, even if a licensee loses money, any funds paid to principals and

¹ *Request* at 1.

² *Id.*

³ See *Implementation of Section 9 of the Communications Act*, 9 FCC Rcd 5333, 5346 (1994), *recon. granted*, 10 FCC Rcd 12759 (1995).

N.A. Baz, President

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deductions for depreciation or amortization are considered funds available to pay the fees.

Our review of the record, including Baz's *Financial Statement*, indicates that the [REDACTED] financial loss that Baz suffered in the year ending March 31, 2010, was fully offset by the [REDACTED] and the [REDACTED] salaries paid to two officers with Baz, and a [REDACTED] deduction for depreciation. Accordingly, consistent with prior cases, we deny your request for a waiver of the FY 2010 regulatory fee.⁴

If you have any questions concerning this letter, please call the Revenue & Receivables Operations Group at 418-1995.

Sincerely,



Mark Stephens
Chief Financial Officer

⁴ See *Alpha & Omega Communications, LLC* (OMD, Sept. 13, 2010); *WWSJ Radio* (OMD, Sept. 10, 2010).